



January 2004

BLACKLEAF GAS FIELD

WHERE ARE WE NOW?

- BLM and the Forest Service will prepare a new EIS for the Blackleaf area to update the cumulative impacts assessed in a 1992 BLM EIS, evaluate current drilling proposals, and consider new information.
- Under federal law and regulations, we are required to act on a completed Application for Permit to Drill (APD).



HOW DID WE GET HERE?

- In 1992, BLM prepared a final environmental impact statement (FEIS) for development of the Blackleaf Gas Field but decided not to issue a record of decision until receiving a drilling application.
- BLM received several notices of staking and drilling applications following completion of the FEIS, but did not complete a record of decision due to changes in lease ownership, changes in the unit operator, incomplete drilling applications, withdrawal of some staking notices, and fluctuating natural gas prices.
- Encouraged by the recent rise in natural gas prices, three companies have staked a total of three well locations. The proposals involve BLM, USFS, and the Montana Department of Fish, Wildlife and Parks (MFWP) land. Our EIS will analyze the proposed wells (approximately seven wells from three locations) along with another six locations that would be consistent with reasonable future development should paying quantities of gas be found.
- Startech Energy is the Blackleaf Unit operator, and the three wells it has proposed from one location are in the Blindhorse Outstanding Natural Area (ONA) about 3 miles from three shut-in gas wells. The Startech lease predates the ONA designation.
- Grizzly Resources has proposed 4 wells from two locations on its lease located on USFS lands adjacent to the Blackleaf Unit. Details are pending from the operator for a complete application.
- Rutter and Wilbanks Corp. has proposed drilling one well on its lease, however, its application was returned unapproved because the company failed to submit the necessary information for a complete application.
- The Reasonable Foreseeable Development Scenario Report is currently in review.
- We are continuing with baseline data collection and internal scoping. Potential cooperating agencies, congressional staff, and the Central Montana Resource Advisory Committee have been briefed on the proposed action, and tribal consultation has been initiated. The Blackleaf EIS Team Leader is Lynn Ricci of the Lewistown Field Office.
- The Blackleaf Study Area is located along the Rocky Mountain Front 75 miles northwest of Great Falls. It contains about 40,327 federal mineral acres (about half of which are leased) and 18,176 state and private mineral acres.
- The Blackleaf area provides habitat for a variety of wildlife, including several threatened and endangered species; contains outstanding scenic qualities; provides a variety of recreational opportunities; is important to the tourist industry; is near the Bob Marshall Wilderness; contains an Outstanding Natural Area; includes part of the Teton Roadless Area on the Lewis and Clark National Forest; and contains a



significant amount of natural gas reserves.

- The area has shut-in gas wells, but analysis indicates that substantial reserves remain and there is a high potential for more gas discoveries and production.
- From 1982 through 1991, total production from four wells in the Blackleaf area was 7 billion cubic feet of natural gas and 33,400 barrels of oil.



WHAT NEEDS TO BE DONE?

- A new EIS is needed to update the cumulative impacts assessed in the 1992 EIS, evaluate the current drilling proposals, and consider new information on such resources as cultural heritage and sensitive/threatened and endangered species.
- Due to staff and time limitations, this EIS will not be done “in-house,” and we have hired a contractor to prepare the EIS. BLM and the USFS will still be responsible for the contents of the document.
- BLM and the Forest Service are working closely with the U.S. Fish and Wildlife Service, the MFWP, Montana Department of Environmental Quality, the State Historic Preservation Office, EPA, and Teton County.
- Baseline studies in the areas of cultural heritage, visual resource management, wildlife, sensitive plants and noxious weeds are currently being finalized.
- We hope to publish the Notice of Intent to commence the preparation of the Blackleaf EIS in early 2004.

WHO ELSE IS CONCERNED?

- National and local environmental groups (i.e., Montana Wilderness Association) are strongly opposed to any development on the Rocky Mountain Front. In addition to the numerous newspaper articles that appear in local and national newspapers each month, several letters from concerned citizens and organizations have been submitted at the local and state office levels.
- The Blackfeet and Salish-Kootenai tribes have asked to be notified of any developments in the area.
- Industry interest in the area is increasing.
- The Lewis and Clark National Forest issued a decision August 28, 1997, not to allow any future oil and gas leasing on the Rocky Mountain Front; however, four APDs have been submitted on an existing Lewis and Clark Forest lease.
- The Montana Congressional delegation has been divided on development of the area in the past.
- Senator Baucus has introduced legislation concerning the oil and gas development on the Rocky Mountain Front. While the geographic area described in the legislation encompasses all the wells that will be analyzed in the EIS, the bill would not preclude development.
- Proposed oil and gas development anywhere along Montana’s Rocky Mountain Front brings a high level of interest. The Forest Service is currently analyzing an unrelated but controversial drilling proposal in the Badger-Two Medicine area about 25 miles north of the Blackleaf field.

FOR MORE INFORMATION

Contact Don Judice, (406) 791-7789 for specific oil and gas related questions; and Lynn Ricci, (406) 538-1922 for questions regarding preparation of the EIS.